The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC #01527-88/1 26 April 1988

MEMORANDUM FOR:

Distribution

FROM:

Carl W. Ford, Jr.

National Intelligence Officer for East Asia

SUBJECT:

East Asia Warning and Forecast Meeting - 13 April 1988

- 1. Attached is my report to the DCI based on our meeting held on 13 April 1988. Please let me know if there are any significant amendments, additions, or corrections.
- 2. Please note that the May East Asia Warning and Forecast Meeting has been cancelled. Our next regularly scheduled meeting will be held on Wednesday, 22 June 1988 at 1400 hours in Room 7E62, CIA Headquarters. Recommendations for discussion/warning topics should be forwarded to this office by COB 13 June 1988.
- 3. It is essential that you TELEPHONE YOUR ATTENDANCE INTENTIONS to and HAVE YOUR CLEARANCES CERTIFIED to us by your security office by COB, 21 June 1988. Please enter the compound through Gate 1, the Route 123 entrance.

Carl Had Carl W. Ford, Jr.

Attachment

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The Director of Central Intelligence

Washington, D.C. 20505

National Intelligence Council

NIC #01527-88 26 April 1988

MEMORANDUM FOR:

Director of Central Intelligence

Deputy Director of Central Intelligence

VIA:

National Intelligence Officer for Warning

FROM:

Carl W. Ford, Jr.

National Intelligence Officer for East Asia

SUBJECT:

13 April 1988 East Asia Warning and Forecast Meeting:

North Korea

1. Despite the increased cause for concern resulting from recent events in and involving North Korea--such as the bombing of a South Korean airliner; changes in the North's senior leadership, including the replacement of the Defense Minister; and reports of increasing food shortages and corresponding disgruntlement--analysts from throughout the Intelligence Community agree that the immediate threat posed by North Korea has not substantially increased in recent weeks.

continued wariness by the South, as well as by the United States, is warranted.

2. Pyongyang's goal of reunification with the South on the North's terms has not changed, but its tactics for achieving this goal have been flexible. In the past, North Korea has resorted to terrorism, shooting incidents along the DMZ, agent infiltration, assassinations and, somewhat paradoxically, serious negotiations. In the nearterm, we can expect that this "broken field runner-type" of approach will continue.

3. Nevertheless, North Korea is now beset by some fundamental difficulties that will not be easily resolved and that, over the medium to longterm, could affect its strategy and tactics to the detriment of stability on the peninsula:

-- North Korea's economy, already a disaster, continues to deteriorate, a situation which the top leadership may not fully appreciate.

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While South Korea's leadership succession appears to be going smoothly, the situation for the North remains highly uncertain. The dynastic transition from Kim Il-sung to Kim Jong-il could become troubled.	
The ability of the South Koreans to successfully hold the Olympics will be a major blow to North Korea's self-image and international prestige.	25X
4. In wrestling with these challenges, North Korea, with respect to its nearterm tactics towards the South, could adopt any of three general approaches. It could:	
Become more hostile and step up military pressure or the use of terrorism. Incidents along the DMZ or seaborne infiltration of agents could be increased, and/or efforts could be made to bomb hotels and other tourist facilities in order to frighten people away from the Olympics. (They will probably not attack Olympic facilities during the games because the Soviets, Chinese, and other friends will be in attendance.) We believe, however, that the chance of immediate large-scale military operations against the South is low. Although training activity in the North Korean armed forces, especially at the lower echelons, has been intensified in the past few months; the size of the armed forces reportedly has been reduced by 150,000, and there are some reports of reductions in the North's defense budget.	
Try to cut its losses by accepting the Olympics as a <u>fait accompli</u> , keep a low profile, and try to reclaim some prestige <u>by successfully</u> holding the World Youth Games next year.	
Try to resume negotiations with the South in an effort to get some of the events moved to the North (unlikely now that time is so short), and pursue tension-reducing negotiations on other fronts.	25X
5. Internal challenges to the North could make it more obstreperous and dangerous over the longterm. Or, conversely, internal events could spin out of control, forcing Pyongyang to turn inward and move toward either collapse or reform.	25)
In several respects North Korea is becoming more exposed to the outside world. More Korean expatriates and other visitors are visiting the motherland, and gradually more Koreans are traveling abroad through diplomatic missions and cultural activities.	25 X
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13 April 1988 East Asia Warning and Forecast Meeting

ATTENDEES

NAME	CIA	
Carl Ford	NIO/EA ANIO/EA DI/OGI NIO/CT FBIS/AG OIA OEA/NA/K LDA/AN/NEAP OEA/NA/K FBIS/NEAD/NAS FBIS/Daily Report LDA/PPD A/NIO/Warning OGI/GD OEA OIR/DSD/DB EA/SK EA/NKOG EA/NKOG EA/K DDS&T/OD&E	25X
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